

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

INSITUFORM TECHNOLOGIES, INC.,)	
)	
Plaintiff,)	
)	
v.)	Case No. 04 10487 GAO
)	
AMERICAN HOME ASSURANCE COMPANY,)	
)	
Defendant.)	

AFFIDAVIT OF DAVID A. MARTIN

I, David A. Martin, being duly sworn, do hereby depose and state that I am the Vice President and Chief Financial Officer of plaintiff, Insituform Technologies, Inc. (Insituform). The following is based on my personal knowledge or my investigation and is true and correct to the best of my knowledge:

1. Liberty Mutual Insurance Company, Insituform's primary carrier, investigated the MWRA Claim and paid its policy limit of \$1 million on December 13, 2004.
2. As a direct result of American Home's failure to indemnify Insituform for the MWRA Claim in December of 2004, Insituform's "Fixed Charges Coverage Ratio" for the close of fiscal 2004 was 1.64, or \$1,941,000 short of the income needed to maintain a minimum ratio of 1.70, as required by Insituform's covenants with its lenders. Insituform was in default and had to negotiate waivers of the default and amendments to its notes resulting in increased interest rates. Attached as Exhibit A is a summary Insituform's Fixed Charges Coverage Ratio as of December 31, 2004 and a summary of the costs Insituform incurred as a result of the required note amendments.

4. The details and documentation concerning Insituform's failure to meet its Fixed Charges Ratio at the close of fiscal 2004 are set forth in its SEC filings, including its Form 10-K for 2004. Attached as Exhibit B is a true and correct copy of Insituform's Form 10-K for 2004.

Signed under the pain and penalties of perjury of this 8th day of January, 2008.



David A. Martin

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the following document was served upon the attorney of record for the Defendant by virtue of electronically filing this document with the Court on the 8th day of January, 2008.

AFFIDAVIT OF DAVID A. MARTIN

By: /s/ Stanley A. Martin
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